Stanford eCorner

Medical Innovation and Profit

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Josh Makower, director and co-founder of the Stanford Byers Center for Biodesign, explains his approach to the ethics of fair profit in medical innovation, observing that a profitable business creates a return for investors, who can then reinvest in future innovation.

Transcript

- There are lots of ethical issues 00:00:05,930 that get presented when you are an innovator in medicine, you know.. What's a fair profit? What is it? How do you navigate conflict of interest? These types of things are very, very common and we think a lot about them and we have a perspective on all of them, you know, and on those two in particular, we believe that you need to have a fair profit.. Investors need to get a return.. Otherwise they're not gonna put the money in.. Where's the money gonna come from? We can't get it from just grants.. So we need real businesses.. So the act of actually creating a business to solve a medical problem is actually completely consistent with ethics because it's sustainable.. To create something that is unsustainable is not ethical because it's just going to peter out and a great idea, a great solution will not survive.. So fundamental to the training that we provide is how do you make this a business? How do you get this to be self sustaining and return to the investors so that they come back and put more money in for the next innovation and the next one? So that's how we think of it.. And I think grappling with that idea and the juxtaposition of profit, and then also health outcomes is something that we deal with every day and we believe it's necessary..

It's necessary to actually have a sustainable business that investors can get a return on, and then they will continue to invest in healthcare...